

AGENDA



Monday, September 10, 2007

Budget
RECOMMENDATION FOR COUNCIL ACTION

Item No. 15

Subject: Approve a resolution declaring the City's official intent to reimburse itself from Certificates of Obligation in the amount of \$6,200,000 for expenditures related to Barton Springs Pool Improvements.

Amount and Source of Funding: \$6,200,000 in tax-supported General Obligation Certifications of Obligation to be issued in August 2008 or later.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Greg Canally, Budget Officer, 974-2609

This resolution is required pursuant to Section 103 of the Internal Revenue Code, which ensures the tax-exempt status of the referenced expenditures. A city must have budgeted for and provided a source of funds in order to enter into a contract. For the City to spend money today, but reimburse itself from the issuance of debt obligations in the future, a reimbursement resolution is required by state and federal law. The resolution must contain certain information and protects the tax-exempt status of the future issuance. Failure to adopt a qualified declaration of official intent will prohibit the City from reimbursing the cost with the proceeds of tax-exempt obligations. Reimbursement bonds generally must be issued no later than 18 months after the later of: the date the expenditure was made, or the date that the project with respect to which the expenditure was made, is placed in service.

This action expresses the City Council's intent to authorize the reimbursement for costs associated with the 2007-2008 Approved Capital Budget items for General Obligation debt, as described below:

Certificates of Obligation: \$6,200,000

- \$6,200,000 for capital expenditures for Barton Springs Pool improvements